

**MINUTES**  
**STATE BUILDING COMMISSION**  
Executive Subcommittee  
June 24, 2013

The State Building Commission Executive Subcommittee met this day at 10:30 a.m. in House Hearing Room 30, Legislative Plaza, Nashville, Tennessee. Secretary Hargett called the meeting to order at 10:32 a.m. and requested action on the following matters as presented by State Architect Bob Oglesby.

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS PRESENT

Vice-Chairman Tre Hargett, Secretary of State  
Larry Martin, Commissioner, Department of Finance and Administration  
Justin Wilson, Comptroller of the Treasury

STATE BUILDING COMMISSION SUB-COMMITTEE MEMBERS ABSENT

David Lillard, State Treasurer

OTHERS PRESENT

Bob Oglesby, State Architect  
Georgia Martin, Office of the State Architect  
Peter Heimbach, Department of General Services  
Melinda Parton, Comptroller's Office  
Jonathan Rummel, Secretary of State's Office  
Joy Harris, Treasurer's Office  
Bruce Davis, Legislative Budget Office  
Janie Porter, Attorney General's Office  
Genie Whitesell, Attorney General's Office  
Mary Johnson, Michael Brady Inc.  
Jason Hartman, Department of Finance and Administration  
Marcos Makohon, Department of General Services  
Jurgen Bailey, Department of General Services  
Russell Marty, Department of Finance and Administration  
Trammel Hoehn, Department of Finance and Administration  
Mike Gorney, TN Office Holdings  
Steve Berry, Department of General Services  
Luke Koontz, Department of General Services

Chloe Shafer, Department of General Services  
David Gregory, TN Board of Regents  
Dick Tracy, TN Board of Regents  
Richard Riebeling, Metro Nashville  
Bob Lackey, Metro Nashville  
Kim Adkins, Capital Strategy Group  
Crystal Collins, THEC  
Mike Morrow, Department of Finance and Administration  
Calvin Dickinson, York Foundation  
Michael Birdwell, York Foundation  
Charles Whittenburg, Whittenburg Land Surveying  
Gary Bouton, Maffett-Bouton Associates  
Deborah York, Sgt York Patriotic Foundation  
Larry Atema, Nashville Convention Center Authority  
Charles Robert Bone, Nashville Convention Center Authority  
Bill Phillips, Metro Nashville  
Clint Camp, Department of General Services  
Tricia Reinhard, Department of Human Services

## CONSENT AGENDA

Approved the following real property transactions which had been reviewed and recommended for approval by Subcommittee staff:

- A. Agency: **University of Tennessee – Shelby County**  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and one appraisal
- B. Agency: **University of Tennessee – Shelby County**  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and one appraisal
- C. Agency: **University of Tennessee – Shelby County**  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and one appraisal
- D. Agency: **University of Tennessee – Shelby County**  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and one appraisal
- E. Agency: **University of Tennessee – Shelby County**  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and one appraisal
- F. Agency: **University of Tennessee – Shelby County**  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement
- G. Agency: **University of Tennessee – Shelby County**  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement
- H. Agency: **Department of Human Services – Shelby County**  
Transaction: Acquisition in fee  
Provision: Waiver of advertisement and appraisals
- I. Agency: **Department of Transportation – Marion County**  
Provision: Waiver of advertisement and appraisals
- J. Agency: **Department of Military - Wayne**  
Transaction: Disposal by easement  
Provision: Waiver of advertisement and appraisals
- K. Agency: **Department of Environment and Conservation – Cumberland County**  
Transaction: Acquisition in fee  
Provision: Wavier of advertisement and one appraisal

- L. Agency: Department of Environment and Conservation – Cumberland County  
Transaction: Acquisition in fee  
Provision: Wavier of advertisement and one appraisal
  
- M. Agency: Department of Environment and Conservation – Unicoi County  
Transaction: Acquisition by easement  
Provision: Wavier of advertisement and appraisals
  
- N. Agency: Department of Environment and Conservation – Cumberland County  
Transaction: Acquisition in fee  
Provision: Wavier of advertisement and one appraisal
  
- O. Agency: Department of General Services – Davidson County  
Transaction: Disposal by fee

UNIVERSITY OF TENNESSEE

**Land Transaction**

**Requested Action:** Approval of disposal in fee with waiver of advertisement and one appraisal

**Description:** Monroe County – 69.69+/-acres – South side of Hwy 11E, Sweetwater, TN – Trans. No. 13-05-011 (Baugh)

**Purpose:** Disposal in fee of property gifted to the State.

**Original Cost to State:** Gift

**Date of Original Conveyance:** December 17, 2012

**Grantor Unto State:** Rogers Group, Inc.

**Estimated Sale Price:** Fair Market Value

**Comment:** Property was gifted December 17, 2012 and approved by the Executive Sub Committee on March 19, 2012. There is no known restriction to this sale. The property is expected to be sold to a municipality at Fair Market Value. If an agreement cannot be reached with a municipality the property would be publically advertised for sale.

**Minutes:** 06/24/2013 Approved disposal in fee with waiver of advertisement and one appraisal

TENNESSEE BOARD OF REGENTS

Austin Peay State University, Clarksville, Montgomery County, Tennessee

Requested Action: Approval of a revision in source(s) of funding

Project Title: New Student Housing

Project Description: Develop housing project with improvements to Drane Street

SBC Number: 166/003-17-2010

Total Project Budget: \$34,929,998.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>		
	30,943,000.00	\$800,000.00	31,743,000.00	TSSBA (rent)	(A/O)
	960,000.00	(800,000.00)	160,000.00	Plant Funds (Auxiliary-Housing)	(A)
	1,150,000.00	0.00	1,150,000.00	Plant Funds (Non-Auxiliary)	(A)
	96,638.00	0.00	96,638.00	Local Grant (City Clarksville)	(O)
	254,337.00	0.00	254,337.00	State Grant (TEMA)	(O)
	1,526,023.00	0.00	1,526,023.00	Federal Grant (FEMA)	(O)
Original Project Budget:	<u>34,929,998.00</u>				
Change in Funding:		\$ 0.00			
Revised Project Budget:			\$34,929,998.00		

Comment: To avoid delays in the project APSU added auxiliary funds in April since their bonding capacity was not sufficient. Changes have been made and their bonding capacity is no longer an issue.

Previous Action: 07/08/2010 SBC Approved project and Issuance of RFP for CM/GC  
 07/23/2010 SBC Selected designer (JV: Bauer Askew Arch/Lyle Cook Martin)  
 12/22/2010 ESC Selected CM/GC (American Constructors, Inc.)  
 04/14/2011 SBC Revised scope and funding  
 06/09/2011 SBC Approved EDP  
 02/09/2012 SBC Revised scope and funding  
 04/11/2013 SBC Revised funding

Minutes: 06/24/2013 ESC Approved revision in source of funding

TENNESSEE BOARD OF REGENTS

**Lease Agreement**

**Requested Action:** Approval of lease agreement and waiver of advertisement

**Location:** Rutherford County – MTSU, 1930 Memorial Blvd., Murfreesboro, TN – Trans. No. 13-05-930 (Baltz)

**Purpose:** Lease consolidation of hangar #2 lease, corporate box hangar #3, ground lease for Boeing 727, Jean A Jack land lease for Academic Bldg. and Miller Lanier land lease for construction of Supporting Facilities for a Master lease.

**Term:** July 1, 2013 – June 30, 2031 (18 yrs.) – renewal for successive terms of ten years.

**Proposed Amount:** 11,230 rentable square feet / 3.89 acres

Average Annual Contract Rent:	\$60,953.00	\$5.43 per sf
Est. Annual Utilities Cost	\$19,652.50	\$1.75 per sf
Est. Annual Janitorial Cost:	\$12,353.00	\$1.10 per sf
Annual effective total cost	\$92,958.00	\$8.28 per sf

**Current Amounts:** 11,230 rentable square feet / 3.89 acres

Lease 1	7200 sf	\$18,716.44	\$2.60 per sf
Lease 2	4030 sf	\$13,898.70	\$3.45 per sf
Lease 3	.32+/- acres	\$ 1,949.03	N/A
Lease 4	0.38+/- acres	\$ 4,980.36	N/A
Lease 5	3.19+/- acres	\$ 7,313.54	N/A
Est. Annual Utilities Cost		\$19,652.50	\$1.75 per sf
Est. Annual Jan. Cost:		\$12,353.00	\$1.10 per sf
Annual effective total cost		\$78,863.58	\$7.02 per sf

**Type:** New lease - Negotiated

**FRF Rate:** \$18.00 (for reference)

**Source of Funding:** MTSU Operating Funds (A)

**Lessor:** The City of Murfreesboro

**Comment:** Termination for convenience is one (1) fiscal year's written notice to the City for cancellation of the lease. Each year the rent escalates by 3%.

**Minutes:** 06/24/2013 Comptroller Wilson requested that the standard records retention agreement be included in the lease or get acknowledgement from the parties that they will retain the records. With that understanding, Subcommittee approved the lease agreement and waiver of advertisement.



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Minutes:

06/24/2013 ESC Mr. Heimbach stated that, during the proceedings, there was discovered an option agreement that set these property values and TBR had requested to honor these option of right of first refusal cost. Secretary Hargett confirmed that there are about 33 of these option agreements and recognized Jurgen Bailey to provide some historical clarification. Mr. Bailey stated that the option agreement was in place in 2009 and was between the City and the University. When the City acquired these properties, they transferred the option rights to the Jackson Community Development Agency. The State also assumed the University's option rights when it acquired Lambuth University in 2012. Those option rights were inadvertently overlooked when approval was sought from the ESC to acquire the properties at fair market value. Closing was delayed to get additional approval to buy these properties at the established Option price vs. fair market value. Comptroller Wilson confirmed that the JCRA will not sell it to the State at a lower price. Subcommittee approved acquiring previously approved property in excess of appraised value.

## TENNESSEE BOARD OF REGENTS

### Land Transaction

**Requested Action:** Approval of disposal in fee below fair market value with waiver of one appraisal

**Description:** Blount County – 18.526+/-acres – 1010 Middlesettlements Road, Alcoa, TN – Trans. No. 09-02-027 (Maholland)

**Purpose:** Disposal in fee. Proceeds from the disposal will be used for construction of a new campus.

**Estimated Sale Price:** \$2,550,000

**Grantee:** KBM Commercial Properties, LLC

**Source of Funding:** Plant Funds (Non-Auxiliary) (REM Fees) (A)

**Comment:** The property was given to the State by Blount County in 1990. The original deed had a clause stating if the property ceased to be used for educational purposes it would revert to the County. The County has since released the reversionary clause and will allow the Board to utilize the funds of the sale toward the Blount County campus.

Date of last transfer: June 5, 1990  
Purchase Price: N/A  
Property Assessor's Value: \$3,032,800  
Improvements Square Footage: N/A

**Previous Action:** 03/23/2009 Approved transaction  
09/24/2012 Approved local realty firm to sell property

**Minutes:** 06/24/2013 Approved disposal in fee below fair market value with waiver of one appraisal

## TENNESSEE BOARD OF REGENTS

### Land Transaction

**Requested Action:** Approval to obtain title work, survey, phase 1 environmental assessment and to exercise option to acquire interest in property with waiver of advertisement and one appraisal

**Description:** Rutherford County – 21.84+/-acres – Ken Pilkerton and Nissan Dr., Smyrna, TN – Trans No. 13-01-017 (Maholland)

**Purpose:** Acquisition in fee to acquire property for the proposed Nissan Education & Training Center in Smyrna as capital recommendation by Governor Haslam for an economic development project that highlights partnership between industry and higher education.

**Estimated Sale Price:** Negotiated

**Source of Funding:** Plant Funds (Non-Auxiliary) (REM Fees) (A)  
Gift (O)

**Owner(s):** Smyrna Commons Development Partners, LLC

**Comment:** The FY 13/14 budget includes \$35.4M for construction of the Nissan Education and Training Facility. Nissan negotiated the sale price and is providing gift funds to cover the cost of the acquisition.

Date of last property transfer: N/A  
Purchase Price: N/A  
Property Assessor's Value: \$2,448,407.79  
Improvements Square Footage: N/A

**SSC Report:** 02/15/2013 Peter Heimbach summarized the transaction. Staff deferred the transaction pending approval of the budget.

**Minutes:** 06/24/2013 Approved obtaining title work, survey, phase 1 environmental assessment and to exercise option to acquire interest in property with waiver of advertisement and one appraisal.

DEPARTMENT OF FINANCE & ADMINISTRATION

Tourist Development Zone, Nashville, Davidson County, Tennessee

**Requested Action:** Approval of the Country Music Hall of Fame as a secondary Qualified Public Use Facility to the Music City Center Tourist Development Zone per TCA 7-88-108

**Project Title:** Tourist Development Zone

**SBC Number:** 529/000-10-2009

**Comment:** Under TCA 7-88-108 (b) the State Building Commission shall “review and approve or disapprove” an application for a Qualified Public Use Facility (QPUF) after certification of a Tourism Development Zone (TDZ). The request from Metro Nashville is to add the Country Music Hall of Fame as a secondary QPUF to the existing Music City Center QPUF under the existing TDZ. The approval of the Omni Hotel is not required by the statute, but is acknowledged herein because a single combined application for both facilities was submitted to the State.

**Previous Action:** 11/12/2009 SBC Approved the Music City Center TDZ  
06/13/2013 SBC Referred to ESC with authority to act

**Minutes:** 06/24/2013 ESC Rich Riebeling, Metro Finance Director, provided a brief description of their request stating that the Music City Center, Omni Hotel and Country Music Hall of Fame operate as one integrated campus to promote tourism and redevelopment of the area. Comptroller Wilson stated that the Department of Finance and Administration had certified that the facility is qualified and that everything appeared to be in order, and made a motion to approve the request. Secretary Hargett commented that he enjoyed the tour of the facility and that the area was an impressive transformation. Subcommittee approved the Country Music Hall of Fame as a secondary Qualified Public Use Facility to the Music City Center Tourist Development Zone.

DEPARTMENT OF EDUCATION

Alvin C. York Institute, Jamestown, Fentress County, Tennessee

**Requested Action:** Approval to amend the language of the agreement with the Sergeant York Patriotic Foundation

**Project Title:** Grant to Sergeant York Patriotic Foundation (SYPF)

**Project Description:** Transfer of property and granting of funds to the SYPF for stabilization and mothballing of the Alvin C. York Agricultural Institute. The State will convey the historic building and the real property on which the building sits to the Foundation by quitclaim deed, and will grant to the Foundation not-to exceed amount of \$500,000.

**SBC Number:** 168/001-01-2008 (Trans. No. 13-06-001)

**Total Project Budget:** \$500,000.00

**Source of Funding:** \$500,000.00 Current Funds Capital Maint

**Comment:** The grant was issued for \$500,000 in 2008 was for decommissioning the building until a use could be determined. The grant monies have been expended and no additional monies are being added. Additionally, the conveyance of the property had a reversion agreement stating that the State could reclaim the property if an agreeable use could not be decided upon within five (5) years. This action extends that term for an additional six (6) months to January 31, 2014 to address comments and concerns regarding the use, easement and building documents and agreements and safety plans with the adjacent school.

**Previous Action:**

01/10/2008	SBC	Referred to ESC with authority to act
01/22/2008	ESC	Discussion; deferred action 120 days
04/21/2008	ESC	Status report
05/27/2008	ESC	Discussion; referred to special meeting
06/16/2008	ESC	Discussion
06/26/2008	ESC	Discussion
07/10/2008	ESC	Approved transfer of property to Foundation

**Minutes:** 06/24/2013 ESC Approved amending agreement language with SYPF

DEPARTMENT OF CHILDREN'S SERVICES

**Lease Agreement**

**Requested Action:** Approval of a lease

**Location:** Putnam County – 1300 Salem Road, Cookeville, TN – Trans. No. 13-01-900 (Lotspiech)

**Purpose:** Office space

**Term:** August 1, 2013 thru July 31, 2023 (10 yrs)

**Proposed Amount:** 26,367 rentable square feet

<u>Average</u> Annual Contract Rent:	\$ 249,000.00	@ \$ 9.45 / sf
Annual Utilities:	\$ 46,142.25	@ \$ 1.75 / sf
Annual Janitorial Services:	<u>\$ 29,003.70</u>	<u>@ \$ 1.10 / sf</u>
<b>Average Annual effective total cost:</b>	<b>\$ 324,145.95</b>	<b>@ \$12.30 / sf</b>

**Current Amount:** 26,367 rentable square feet

Annual Contract Rent:	\$ 172,968.00	@\$6.56 / sf
Annual Utilities:	\$ 46,142.25	@\$1.75 / sf
Annual Janitorial Services:	<u>\$ 29,003.70</u>	<u>@\$1.10 / sf</u>
Annual effective total cost:	\$ 248,113.95	@\$9.41 / sf

**Type:** New lease – advertised – One proposal received from current lessor.

**Source of Funding:** 37.6 % State (A)  
20.2% Federal (A/F)  
42.2% Interdepartmental / TennCare (A/O)

**FRF Rate:** \$18.00

**Lessor:** Tennessee Office Holdings, LLC, current lessor

**Comment:** The proposed lease contains 180 days cancellation provision after the 5<sup>th</sup> year. Utilities & janitorial services are not included in monthly rent. All tenant alterations are included in the base rent. Annual rent will escalate year 6–10 (1–5 yrs = \$237,000 @ \$8.99 per sf & 6–10 yrs = \$261,000 @ \$9.90 per sf.) Jones Lang LaSalle commission agreement amount is \$24,900.

**SSC Report:** 05/13/2013 Peter Heimbach summarized the transaction. Staff referred to ESC for discussion. (Pulled by Agency prior to posting)

**Minutes:** 06/24/2013 Comptroller Wilson noted that \$24,900 commission was to be paid to Jones Lang LaSalle. Subcommittee approved the lease as presented.

DEPARTMENT OF GENERAL SERVICES

State Capitol, Nashville, Davidson County, Tennessee

**Requested Action:** Approval of a revision in current project budget, scope and source(s) of funding and of the Guaranteed Maximum Price (GMP) for Phase 3 work

**Project Title:** Mechanical & Electrical Upgrade

**Project Description:** Replacement and upgrade of mechanical, electrical and security systems at the State Capitol, Legislative Plaza and War Memorial Buildings to provide environmental control, and to address code compliance and associated work.

**SBC Number:** 529/005-01-2005

**Total Project Budget:** \$29,000,000.00

**Current Project Funding:**  
(if not fully funded) \$18,252,900.00

Source of Funding:	<u>Original</u>	<u>Change</u>	<u>Revised</u>		
	\$2,700,000.00	\$ 0	\$2,700,000.00		FRF Operating Funds (A)
	11,500,000.00	0	11,500,000.00	2010	GO Bonds CapMaint (A)
	1,075,600.00	0	1,075,600.00	2001	FRF Bonds (Energy) (R)
	427,300.00	0	427,300.00		FRF Reserves (A/R)
	1,150,000.00	0	1,150,000.00		DGS OpFund/Pre Plan (A)
	0	1,400,000.00	1,400,000.00	12/13	FRF Operating Funds (A)
<b>Original Project Budget:</b>	<b>\$16,852,900.00</b>				
<b>Change in Funding:</b>		<b>\$1,400,000.00</b>			
<b>Revised Project Budget:</b>			<b>\$18,252,900.00</b>		

**Comment:** Phase 3 work includes the guard house, additional security measures and other miscellaneous work.

**Previous Action:**

07/09/2009	SBC	Rev & fully plan Phase 2, appr Commissioning
10/19/2009	ESC	Appr issuing RFP for CM/GC
12/10/2009	SBC	Discussion
12/21/2009	ESC	Status report and presentation
02/11/2010	SBC	Discussion; refer to SC
02/22/2010	ESC	Discussion; suspended certain actions
05/24/2010	ESC	Status report discussion
06/10/2010	SBC	Appr CM/GC
10/14/2010	SBC	Refer to SC with authority

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11/01/2010 ESC Revised TPB; planning funds; proceed to Phase 2  
08/22/2011 ESC Revised scope; discussion  
09/08/2011 SBC Referred to ESC with authority  
09/19/2011 ESC Revised scope to preplan security upgrade  
11/10/2011 SBC Appr proceeding with exterior security upgrade portion  
01/12/2012 SBC Revised funding and scope  
02/21/2012 ESC Appr proceeding w/interior security upgrades  
04/12/2012 SBC Reported sole source procurement  
06/14/2012 SBC Revised scope & funding  
05/09/2013 SBC Referred to the ESC, with authority to act,  
05/20/2013 ESC Appr preplan Phase 4 and utilizing CM/GC  
06/13/2013 SBC Referred to ESC with authority to act

Minutes:

06/24/2013 ESC Approved revision in current project budget, scope and source(s) of funding and of the GMP for Phase 3 work.

## DEPARTMENT OF GENERAL SERVICES

### Report Item

- 1) Peter Heimbach stated that the current comprehensive [Capital Improvements Master Plan](#) had been submitted to the State Building Commission by June 30, 2013, in accordance with the Public Acts of 2012, Public Chapter 1029, Section 63, Item 3. Subcommittee acknowledged receipt of the report to meet the statutory deadline and stated that, after review of the documents, a request for the presentation be submitted at the July ESC meeting.

SBC Project No. 460/000-01-2011

## DEPARTMENT OF GENERAL SERVICES

### Report Item:

*Pursuant to State Building Commission Policy and Procedures, Item 8.01 (J) Report Item as approved on September 19, 2011.*

For all acquisition and disposals of interest in real property, closed in the previous quarter, that have been previously approved by the Executive Subcommittee, the following information shall be reported back to the Executive Sub Committee by STREAM on a quarterly basis (April 1, 2013 – June 30, 2013)

1. Resulting appraisal value(s)
2. Final purchase or sales price
3. Amount(s) and source of funding used or received
4. 3<sup>rd</sup> Party Costs

**Minutes:** 06/24/2013. Subcommittee acknowledged receipt of the report.

## DEPARTMENT OF GENERAL SERVICES

### Special Item

- 1) Subcommittee approved a revision to the [Grant Template](#).

DEPARTMENT OF GENERAL SERVICES

**Special Land Item**

Reimbursement of waived Real Estate Management Fees from the General Fund as recommended by the Commissioner of Finance and Administration for the following transactions for fiscal year 2012-2013.

<u>Transaction No.</u>	<u>Reason for Waiver</u>	<u>REM Fee</u>
09-01-003	Bonds	\$ 7,700.00
10-12-006	Bonds	\$ 8,750.00
12-05-014	Bonds	\$ 7,100.00
12-06-007	Bonds	\$10,000.00
<b>TOTAL:</b>		\$33,550.00

**Minutes:** 06/24/2013. Subcommittee approved the reimbursement of waived REM Fees as recommended.

DEPARTMENT OF FINANCE AND ADMINISTRATION

SBC By-Laws, Policy & Procedures

- 1) Subcommittee approved a revision to Item 8.01 to add the following sub section (K) to the **General Acquisition and Disposal** of the *SBC By-Laws, Policy & Procedures*.

\* \* \* \* \*

**8.01K Third Party Fees on Land Acquisitions**

1. Under the following described circumstances, agencies, departments and institutions may utilize third party entities (“Facilitator”) to facilitate land acquisitions by the State, so long as the Facilitator’s specific utilization by the agency, department, or institution has been approved by the Commission prior to the Facilitator’s acquisition of the land sought to be acquired by the State:

- a. The land cannot be acquired for fair market value by the State directly because of timing, contract terms or other issues; or
- b. The third party intends to transfer the land to the State as a gift.

2. In the event that a Facilitator is used pursuant to Paragraph 1 above, Facilitator Costs may be reimbursed without additional approvals by the Commission upon satisfaction of the conditions set forth in this paragraph. “Facilitator Costs” shall be reasonable costs paid by the Facilitator to persons or entities unrelated to the Facilitator which are necessary and/or desirable (as determined by the Facilitator and the agency, department, or institution) in order to acquire the land. Facilitator Costs may include, but shall be limited to, title search and commitment fees, title insurance policy premiums, closing costs paid to a closing agent, survey fees, environmental assessment fees, recording fees, transfer taxes, and appraisal fees. Facilitator Costs may additionally be defined to include legal fees not in excess of \$5,000 per acquisition, so long as they are based on hourly rates not exceeding the hourly rates set by the Attorney General for the payment of outside counsel legal fees. In the event that any other type or category of cost not specifically identified above is requested by a Facilitator to be reimbursed, such cost must be approved as to both type and amount first by the agency, department, or institution acquiring the land, then by STREAM, and finally by the Commission.

3. Notwithstanding anything stated in Paragraph 2 to the contrary, no Facilitator Costs shall be reimbursed unless an estimate of the Facilitator Costs was presented by the agency, department, or institution at the time of the Commission’s initial approval of the Facilitator’s utilization, and unless the Facilitator Costs actually incurred, and for which reimbursement is being sought, have been first approved by the agency, department or institution for which the land is being acquired, and then determined by STREAM to be reasonable, taking into account the complexity of the acquisition. The agency, department, or institution utilizing the

Facilitator shall, on the next quarterly report inform the Commission of all line item costs as well as the reasons for any specific reimbursed Facilitator Cost(s) exceeding the previously presented estimate by the lesser of the sum of \$500 or twenty percent of the previously presented estimate for each individual line item. Additionally, either STREAM or the agency, department or institution for which the land is being acquired may reject requests for reimbursement of Facilitator Costs if: (i) the provider of such service is not on the approved State vendor list, and/or (ii) the State does not receive a benefit from the Facilitator's payment of such costs, such as by obtaining a reduced title policy premium or being able to reuse without additional fee the survey, appraisal or environmental assessment.

4. The State shall encourage Facilitators to use a competitive process to select vendors providing services that may be reimbursed as Facilitator Costs. Notwithstanding the foregoing sentence, the State shall require Facilitators to use a competitive process for said vendor selections if any of the vendors chosen to provide services for which reimbursement is sought is not on the approved State vendor list, in which case the Facilitator shall adequately document the competitive process; shall submit same to the agency, department or institution; and shall at the same time, on the next quarterly report, inform the Commission of the selection.

## STATE BUILDING COMMISSION

### Minutes of Executive Subcommittee Meeting

- 1) Approved the Minutes of the Executive Subcommittee meeting held on May 20, 2013.

### Designer Selections

The following designer selections represent projects approved by the State Building Commission and recommended by the State Procurement Agencies. Secretary Hargett stated that, while they used the normal criteria in determining final selections including maintaining the geographical balance, current work capacity, and quality and quantity of workload over past several years, it was still primarily a process driven by the individual agencies.

- 1) **Northeast State Community College**  
(Outdoor Amphitheater)  
Total Project Budget: \$300,000.00  
SBC Project No. 166/038-01-2013  
Designer: **ROSS/FOWLER**
- 2) **Department of Correction – Statewide**  
(Detention Hardware Design Consultant)  
Total Project Budget: \$90,000.00  
SBC Project No. 140/001-03-2013  
Designer: **R&N SYSTEMS DESIGN**
- 3) **Department of Correction – Statewide**  
(Perimeter Security Design Consultant)  
Total Project Budget: \$90,000.00  
SBC Project No. 140/001-02-2013  
Designer: **BUFORD GOFF ASSOCIATES**

Report of a “Below Major Maintenance Threshold” project as delegated to the OSA for approval:

- 4) **University of Memphis**  
(Business & Economics Finance Lab)  
Total Project Budget: \$408,000.00  
SBC Project No. 166/007-05-2013  
Designer: **BRAGANZA DESIGN / GROUP**
- 2) Acknowledged the reporting of a designer name change from “Kennon Architects, PLLC” to “Kennon Calhoun Workshop, PLLC” on all current State projects.

### Other Business

There being no other business, the meeting adjourned at 10:55 a.m.

UNIVERSITY OF TENNESSEELand Transaction

<b>Requested Action:</b>	Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal	
<b>Description:</b>	Shelby County – 0.21+/-acres – 38 Pauline St., Memphis, TN – Trans. No. 13-05-14 (Jackson)	
<b>Purpose:</b>	Acquisition in fee to purchase property and improvements consisting of a 1,973 sf medical office building. The property is adjacent to the core of the campus. The property is in the University of Tennessee's Health Science Center <u>1996 Master Plan</u> as amended.	
<b>Estimated Sale Price:</b>	Fair Market Value	
<b>Source of Funding:</b>	Campus Plant Funds (Non-Auxiliary)	(A)
<b>Owner(s):</b>	Jackie R. Steele	
<b>Comment:</b>	Date of last transfer: January 18, 2008 Purchase Price: \$10.00 Property Assessor's Value: \$135,500 Improvement Square Footage: 1,973	
<b>SSC Report:</b>	06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.	
<b>Minutes:</b>	06/24/2013 Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal.	

UNIVERSITY OF TENNESSEELand Transaction

<b>Requested Action:</b>	Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal	
<b>Description:</b>	Shelby County – 0.17+/-acres – 40 Pauline St., Memphis, TN – Trans. No. 13-05-015 (Jackson)	
<b>Purpose:</b>	Acquisition in fee to purchase property and improvements consisting of a 2,354 sf mixed use office building. The property is adjacent to the core of the campus. The property is in the University of Tennessee's Health Science Center <u>1996 Master Plan</u> as amended.	
<b>Estimated Sale Price:</b>	Fair Market Value	
<b>Source of Funding:</b>	Campus Plant Funds (Non-Auxiliary)	(A)
<b>Owner(s):</b>	Green Building LLC	
<b>Comment:</b>	Date of last transfer: January 9, 2009 Purchase Price: \$10.00 Property Assessor's Value: \$165,600 Improvement Square Footage: 2,354	
<b>SSC Report:</b>	06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.	
<b>Minutes:</b>	06/24/2013 Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal.	

UNIVERSITY OF TENNESSEELand Transaction

**Requested Action:** Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal

**Description:** Shelby County - 0.15+/-acres – 959 Madison Ave., Memphis, TN – Trans. No. 13-05-018 (Baugh)

**Purpose:** Acquisition in fee to acquire property and improvements consisting of a 2,400 +/- sf medical office building. This property is in the University of Tennessee's Health Science Center 1996 Master Plan as amended.

**Estimated Sale Price:** Fair Market Value

**Source of Funding:** Campus Plant Funds (non-auxiliary) (A)

**Owner(s):** Memphis Bioworks/Biotech Foundation

**Comment:** Date of last transfer: January 25, 2007  
Purchase Price: \$150,000  
Property Assessor's Value: \$87,700  
Improvements Square Footage: 2,439

**SSC Report:** 06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 06/24/2013 Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal.

UNIVERSITY OF TENNESSEELand Transaction

<b>Requested Action:</b>	Approval to obtain title work, appraisals, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal
<b>Description:</b>	Shelby County – 0.75+/-acres – 969 Madison Ave., Memphis, TN – Trans. No. 13-05-012 (Baugh)
<b>Purpose:</b>	Acquisition in fee to purchase property and improvements consisting of a 402,500+/- sq. ft., 12 story building is over a 7 story parking deck/garage. This property is in the University of Tennessee's Health Science Center <u>1996 Master Plan</u> as amended.
<b>Estimated Sale Price:</b>	Fair Market Value
<b>Source of Funding:</b>	Campus Plant Funds (non-auxiliary) (A)
<b>Owner(s):</b>	Memphis Bioworks/Biotech Foundation
<b>Comment:</b>	Date of last transfer: February 14, 2005 Purchase Price: \$500,000 Property Assessor's Value: N/A Improvements Square Footage: 402,500+/- sq. ft.
<b>SSC Report:</b>	06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>Minutes:</b>	06/24/2013 Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal.

UNIVERSITY OF TENNESSEELand Transaction

<b>Requested Action:</b>	Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal
<b>Description:</b>	Shelby County – 0.18+/-acres – 955 Madison Ave., Memphis, TN – Trans. No. 13-05-013 (Baugh)
<b>Purpose:</b>	Acquisition in fee to purchase property and improvements consisting of a 5,300+/- sq. ft. medical office building. This property is in the University of Tennessee's Health Science Center <u>1996 Master Plan</u> as amended.
<b>Estimated Sale Price:</b>	Fair Market Value
<b>Source of Funding:</b>	Campus Plant Funds (non-auxiliary) (A)
<b>Owner(s):</b>	Memphis Bioworks/Biotech Foundation
<b>Comment:</b>	Date of last transfer: January 25, 2007 Purchase Price: \$150,000 Property Assessor's Value: \$116,700 Improvements Square Footage: 5,300+/- sq. ft.
<b>SSC Report:</b>	06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>Minutes:</b>	06/24/2013 Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal.

UNIVERSITY OF TENNESSEELand Transaction

**Requested Action:** Approval to obtain title work, appraisals, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement

**Description:** Shelby County – 0.42+/-acres – 23 North Pauline St., Memphis, TN – Trans. No. 13-05-016 (Maholland)

**Purpose:** Acquisition in fee to purchase property and improvements consisting of a 66,400 sq. ft. apartment building. This property is in the University of Tennessee’s Health Science Center 1996 Master Plan as amended.

**Estimated Sale Price:** Fair Market Value

**Source of Funding:** Campus Plant Funds (non-auxiliary) (A)

**Owner(s):** Medical Center Tower, LLC

**Comment:** Date of last transfer: February 3, 2003  
Purchase Price: \$1,002,500  
Property Assessor’s Value: \$804,400  
Improvements Square Footage: 66,400

**SSC Report:** 06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 06/24/2013 Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement.

UNIVERSITY OF TENNESSEELand Transaction

**Requested Action:** Approval to obtain title work, appraisals, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement

**Description:** Shelby County – 2.45+/-acres – 785 Union Ave., Memphis, TN – Trans. No. 13-05-017 (Maholland)

**Purpose:** Acquisition in fee to purchase property and improvements consisting of a 27,300 sq. ft. commercial retail building. This property is in the University of Tennessee's Health Science Center 1996 Master Plan as amended.

**Estimated Sale Price:** Fair Market Value

**Source of Funding:** Campus Plant Funds (non-auxiliary) (A)

**Owner(s):** Prime Properties c/o Office Depot

**Comment:** Date of last transfer: September 2001  
Purchase Price: \$3,800,000  
Property Assessor's Value: \$3,475,500  
Improvements Square Footage: 27,300

**SSC Report:** 06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 06/24/2013 Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement.

DEPARTMENT OF HUMAN SERVICESLand Transaction

<b>Requested Action:</b>	<b>Approval to obtain title work, and phase 1 environmental assessment and exercise reversion rights with waiver of advertisement and appraisals</b>
<b>Description:</b>	Shelby County – 1.47+/-acres – Clovernook Center for the Blind, 346 St. Paul Ave., Memphis, TN – Trans. No. 13-06-003 (Bailey)
<b>Purpose:</b>	Acquisition in fee to acquire property by quitclaim deed through exercise of the reversion rights.
<b>Estimated Sale Price:</b>	No Cost-Reversion
<b>Source of Funding:</b>	DHS Operating Funds      12/13    (REM Fees)    (A)
<b>Owner(s):</b>	Clovernook Center for the Blind
<b>Comment:</b>	The State conveyed the property at no cost with a requirement that they utilize the property for the purpose set forth in the deed. The Clovernook Center is moving to a new location which triggers the State's reversion right.  Date of last transfer: October 11, 2004 Purchase Price: N/A Property Assessor's Value: \$101,900 Improvements Square Footage: 44,713
<b>SSC Report:</b>	06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>Minutes:</b>	06/24/2013 Approved obtaining title work and phase 1 environmental assessment and exercise reversion rights with waiver of advertisement and appraisals.

DEPARTMENT OF TRANSPORTATION

Land Transaction

**Requested Action:** Approval to acquire wetland mitigation credits with waiver of advertisement and appraisals

**Description:** Marion County – 45 wetland credits @ \$25,000 per credit at the Sequatchie Valley Wetland Bank, Whitwell, TN – Trans. No. 13-05-010 (Bailey)

**Purpose:** Regional wetland mitigations credits will be used to mitigate unavoidable wetland impacts to road projects being completed in Marion, Sequatchie, Bledsoe, Rhea, Meigs and Hamilton Counties.

**Estimated Price:** \$1,125,000 (\$25,000 x 45 credits)

**Source of Funding:** 2013 State Highway Funds – 20% (A)  
2013 Federal Funds – 80% (F)

**Owner(s):** Southeastern Green Works, LLC

**SSC Report:** 06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 06/24/2013 Approved acquiring wetland mitigation credits with waiver of advertisement and appraisals.

DEPARTMENT OF MILITARYLand Transaction

**Requested Action:** Approval of disposal by easement with waiver of advertisement and appraisals

**Description:** Wayne County – 0.61+/-acres – US Hwy 84, Waynesboro, TN – Trans. No. 13-05-009 (Woodard)

**Purpose:** Disposal by easement to expand existing easement width by 25 ft. over the 1,000+/-ft. length.

**Sale Price:** \$20,575.00

**Grantee:** Tennessee Valley Authority (TVA)

**Comment:** The existing easement consists of 1.83 acres for a new total of 2.44 acres for transmission lines and guy wires. Location of the proposed easement will not interfere with Military operations. Proceeds to be applied to the Military Department pursuant to 2013 Public Chapter 453, Section 2, Item 9.

**SSC Report:** 06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 06/24/2013 Approved disposal by easement with waiver of advertisement and appraisals.

DEPARTMENT OF ENVIRONMENT AND CONSERVATIONLand Transaction

<b>Requested Action:</b>	Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value and to utilize a third party for the transaction with waiver of advertisement and one appraisal
<b>Description:</b>	Cumberland County – 90+/-acres – Justin P. Wilson Cumberland Trail State Park, Crab Orchard, TN – Trans. No. 13-05-003 (Jackson)
<b>Purpose:</b>	Acquisition in fee to purchase a portion of the acreage, known as the Moy Toy tract, at the Justin P. Wilson Cumberland Trail State Park. The tract also buffers the Ozone Falls State Natural Area and protects additional length of streamside on Fall Creek, which is the watercourse that creates Ozone Falls.
<b>Estimated Sale Price:</b>	Fair Market Value
<b>Source of Funding:</b>	\$170,000 12/13 State Land Acquisition Fund (A) \$130,000 Land Water & Conservation Fund (F)
<b>Owner(s):</b>	Moy Toy LLC
<b>Comment:</b>	Date of last transfer: September 28, 2010 Purchase Price: \$1,208,061 (1,892 acre total parcel) Property Assessor's Value: \$516,475 Improvements Square Footage: NA  Any 3 <sup>rd</sup> party transaction cost will be reported on the quarterly report.
<b>SSC Report:</b>	06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.
<b>Minutes:</b>	06/24/2013 Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value and to utilize a third party for the transaction with waiver of advertisement and one appraisal.

DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Land Transaction

**Requested Action:** Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value and to utilize a third party for the transaction with waiver of advertisement and one appraisal

**Description:** Cumberland County – 100+/-acres – Justin P. Wilson Cumberland Trail State Park, Crab Orchard, TN – Trans. No. 13-05-002 (Jackson)

**Purpose:** Acquisition in fee to purchase a portion of the acreage known, as the SA Alternative Opportunity Fund tract, at the Justin P. Wilson Cumberland Trail State Park. The acquisition will create a 200 ft. wide corridor for approximately 3.6 miles, dividing the 5,832 acre parent tract. Final acreage will be determined by survey.

**Estimated Sale Price:** Fair Market Value

**Source of Funding:** \$170,000 12/13 State Land Acquisition Fund (A)  
\$130,000 Land Water & Conservation Fund (F)

**Owner(s):** SA Alternative Opportunity Fund

**Comment:** Date of last transfer: May 6, 2009  
Purchase Price: \$4,104,000 (5,832.84 acres)  
Property Assessor's Value: \$1,355,525  
Improvements Square Footage: NA

Any 3<sup>rd</sup> party transaction cost will be reported on the quarterly report.

**SSC Report:** 06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 06/24/2013 Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value and to utilize a third party for the transaction with waiver of advertisement and one appraisal.

DEPARTMENT OF ENVIRONMENT AND CONSERVATIONLand Transaction

**Requested Action:** Approval to obtain title work, survey, and accept as gift, with waiver of advertisement and appraisals

**Description:** Unicoi County – 0.798+/-acres – Rocky Fork State Park – Trans. No. 13-05-005 (Baugh)

**Purpose:** Acquisition by easement. This Right of Way is being gifted to the State by The Conservation Fund for access to the new Rocky Fork State Park.

**Source of Funding:** \$3,000 12/13 State Land Acquisition Fund (Admin. Fees) (A)

**Owner(s):** C. G. Shelton

**Comment:** Date of last transfer: March 10, 1995  
Purchase Price: \$24,000  
Property Assessor's Value: \$70,900  
Improvements Square Footage: N/A

**SSC Report:** 06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 06/24/2013 Approved obtaining title work, survey, and accept as gift, with waiver of advertisement and appraisals.

DEPARTMENT OF ENVIRONMENT AND CONSERVATIONLand Transaction

**Requested Action:** Approval to obtain title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal

**Description:** Cumberland County – 333.53+/-acres – Justin P. Wilson Cumberland Trail State Park - Hinch Mountain Rd. – Trans. No. 13-05-006 (Baugh)

**Purpose:** Acquisition in fee for the continuance of the Justin P. Wilson Cumberland Trail State Park from existing park property on Brady Mountain.

**Estimated Sale Price:** Fair Market Value

**Source of Funding:** \$ 95,000 12/13 State Land Acquisition Fund (A)  
380,000 TEA-21 View Shed (F)

**Owner(s):** William J. & Robert M. Ware

**Comment:** Date of last transfer: January 20, 1988  
Purchase Price: \$16,650  
Property Assessor's Value: \$304,000  
Improvements Square Footage: N/A

**SSC Report:** 06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 06/24/2013 Approved obtaining title work, appraisal, survey, phase 1 environmental assessment and exercise option to acquire interest, not to exceed appraised value with waiver of advertisement and one appraisal.

DEPARTMENT OF GENERAL SERVICESLand Transaction

**Requested Action:** Approval of disposal in fee by sealed bid/public auction pursuant to court order

**Description:** Davidson County – Nashville, TN  
1118 Clay Street  
2110 14<sup>th</sup> Avenue North  
1614 22<sup>nd</sup> Avenue North  
1504 24<sup>th</sup> Avenue North  
2608 Booker Street

**Purpose:** Disposal in fee to sell five (5) tracts of land subject to forfeiture. Properties will be sold pursuant to TCA 39-11-713

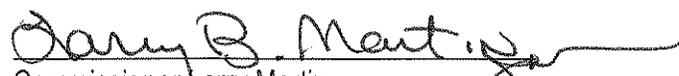
**Owner(s):** Marc Antonia Sutton and Barbara Sutton

**Comment:** Forfeited properties were conveyed to the State. Pursuant to a court order, local district attorney will sell properties subject to TCA 39-11-713.

**SSC Report:** 06/17/2013 Peter Heimbach summarized the transaction. Staff referred to Executive Subcommittee for consent agenda.

**Minutes:** 06/24/2013 Approved disposal in fee by sealed bid/public auction pursuant to court order.

Approved:

  
Commissioner Larry Martin  
Department of Finance and Administration